

Message Text

UNCLASSIFIED

PAGE 01 MANAMA 01117 051142Z

46

ACTION NEA-10

INFO OCT-01 EUR-12 EA-09 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PRS-01 PA-02 /120 W

----- 016279

R 051028Z AUG 76

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC 3341

INFO AMEMBASSY ABU DHABI UAE

AMCONGEN DHAHRAN SAUDI ARABIA

AMEMBASSY DOHA QATAR

AMEMBASSY JIDDA SAUDI ARABIA

AMEMBASSY KUWAIT KUWAIT

AMEMBASSY LONDON UK

AMEMBASSY MUSCAT OMAN

AMEMBASSY SINGAPORE SN

AMEMBASSY TEHRAN IRAN

UNCLAS MANAMA 1117

ABU DHABI PLEASE PASS DUBAI

E.O. 11652: N/A

TAGS : EFIN, BA

SUBJECT : OFF-SHORE BANKING UNITS IN BAHRAIN: THE
FIRST SIX MONTHS

REF : MANAMA 583 AND PREVIOUS (NOTAL)

1. ACCORDING TO A PRESS RELEASE ISSUED RECENTLY BY
THE BAHRAIN MONETARY AGENCY (BMA), THE FIRST SIX
MONTHS OF OPERATION OF THE OFF-SHORE BANKING UNITS
(OBU) HAVE BEEN EVEN MORE SUCCESSFUL THAN HAD BEEN
ANTICIPATED. ACCORDING TO REPORTS SUBMITTED AS OF
JUNE 30 TO THE BMA BY THE PARTICIPATING BANKS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANAMA 01117 051142Z

(32 HAVE LICENSES AND 16 ARE ACTUALLY FUNCTIONING),

THEY HOLD ASSETS OF \$3.5 BILLION US DOLLARS OF WHICH ALMOST ONE BILLION WERE NON-BANK RISK ASSETS. THIS COMPARES WITH \$1.5 BILLION AT THE END OF DECEMBER 1975 WHEN THE OBU PROGRAM WAS JUST BEGINNING (MANAMA 082).

2. OF THE 3.5 BILLION, 1.5 BILLION CAME FROM "THE ARAB WORLD" WITH THE REMAINDER DRAWN FROM FAR EASTERN, EUROPEAN AND AMERICAN MARKETS "THANKS TO BAHRAIN'S UNIQUE ABILITY TO DEAL WITH ALL OTHER MARKETS DURING ITS WORKING DAY".

3. U.S. DOLLARS COMPRISES 77 PERCENT OF THE MARKET WHILE SAUDI RIYALS AND OTHER GULF CURRENCIES MADE-UP ANOTHER 15 PERCENT OF THE TOTAL. OBU INTERBANK MARKET WAS \$85 MILLION.

4. AS THE REMAINDER OF THE LICENSED BANKS BECOME ACTIVE IN THE MARKET, THE BMA EXPECTS THE FIGURE TO INCREASE DRAMATICALLY--SO MUCH SO THAT BMA SOURCES INDICATE AN EXPECTATION OF "CATCHING UP" WITH THE \$12 BILLION SINGAPORE OFF-SHORE MARKET BY EARLY 1977. TWO LARGE AMERICAN BANKS, MANUFACTURERS HANOVER TRUST AND CHEMICAL BANK, EXPECT TO OPEN THEIR DOORS IN EARLY FALL, JOINING THE ALREADY ACTIVE CITIBANK, CHASE MANHATTAN, AMERICAN EXPRESS INTERNATIONAL AND BANK OF AMERICA. TWINAM

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 05 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANAMA01117
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760301-1403
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760881/aaaacths.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 MANAMA 583
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUL 2004 by hattaycs>; APPROVED <27 JUL 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OFF-SHORE BANKING UNITS IN BAHRAIN: THE FIRST SIX MONTHS
TAGS: EFIN, BA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006